



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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## **RBI Advisory on Overseas Forex Trading through Electronic / Internet Trading Portals**

The Reserve Bank of India has today clarified that remittance in any form towards overseas foreign exchange trading through electronic/internet trading portals is not permitted under the Foreign Exchange Management Act (FEMA), 1999. The Reserve Bank has also clarified that the existing regulations under FEMA, 1999 do not permit residents to trade in foreign exchange in domestic / overseas markets.

Residents are, however, permitted to trade in currency futures and options contracts, traded on the stock exchanges recognised by the Securities and Exchange Board of India (SEBI) in India, subject to the conditions specified by the Reserve Bank from time to time.

### **Background**

The Reserve Bank had noticed advertisements issued by electronic / internet portals offering trading or investing in foreign exchange with guaranteed high returns. Many companies even engage agents who personally contact gullible people to undertake forex trading/ investment schemes and entice them with promises of disproportionate / exorbitant returns.

The Reserve Bank of India cautions the public not to remit or deposit money for such unauthorised transactions. The advice has become necessary in the wake of many residents falling prey to such tempting offers and losing money heavily in the recent past.

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